CRISIS MANAGEMENT STRATEGIES AND BUSINESS CONTINUITY FOR STAR RATED HOTELS IN KENYA
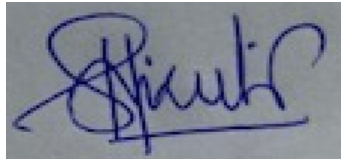
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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

DECEMBER 2020

DECLARATION

Student's Declaration

I declare that this research project report is my original work and has never been previously published or submitted elsewhere for assessment or award of a degree in any institution of higher learning other than University of Nairobi.
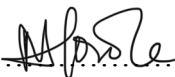
Sign…………………………………   Date……05/12/2020…………………

Elizabeth Gikuhi

D61/87141/2016

Supervisor's Declaration

This research project report has been submitted for examination with my approval as the University Supervisor

Sign……………………………   Date 5th December, 2020

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I wish to acknowledge the Almighty God for such a special chance to get this far in my academic journey. I am thankful for the resources and the grace to pursue my course.

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My appreciation also goes to my family and friends for your support and input throughout the course of my research.

DEDICATION

I dedicate my project to;

- Mwangi Mwago who challenged me to start this academic pursuit and cheered me on, supporting me endlessly. Thank you for believing in me.
- My daughter Mitchelle Njoki for her support and encouragement as I undertook my studies. I hope you find inspiration through my work, that nothing is impossible if you focus and commit.
- My late parents John Gikuhi and Margaret Wangeci. You must surely be proud of me from heaven.

LIST OF ABBREVIATIONS

ANOVA   Analysis of Variance

CCTV   Closed-Circuit Television

EAC   East African Community

GDP   Gross Domestic Product

KNBS   Kenya National Bureau of Statistics

OECD   Organization for Economic Co-operation and Development

OLS   Ordinary least square

TRA   Tourism Regulatory Authority

ABSTRACT

Hotels face the continuous risk of disruptions from factors beyond their control. This includes man made calamities such as post-election violence, poor service delivery and terrorism. Disruptions may also arise from natural calamities such as the outbreak of diseases such as Covid-19, floods and earthquakes. These disruptions do not only affect the normal operations of the business but also threaten the existence of the hotels. Despite the enormous risk of closure as a result of these crisis very few studies have been done to find out the impact of crisis management strategies on the business continuity in the hotel industry in Kenya. This study therefore sought to find out the relationship between crisis management strategies and business continuity in star rated hotels in Kenya. The independent variables were the crisis management strategies (prevention, containment, confrontation and cooperation strategies) while the dependent variable was business continuity. The study was anchored on the contingency theory, resource-based theory and resource dependency theory and used descriptive cross-sectional research design and stratified random sampling technique to come up with a representative sample of 138 respondents. A structured questionnaire was used to collect data and a response rate of 83% achieved. The limitations to the study included data collection as it was carried out during the Covid-19 pandemic whereby physical contact during data collection was either limited or impossible. This was countered through the use of online methods to administer the questionnaire. The methodological approach was also a challenge as the variables had not been locally studied together in a single study to establish the relationship. This was countered through the expert guidance of the supervisor on how to treat the variables. The other limitation involved the nature of data collected where the respondents were concerned that their strategies would be known to their business rivals. This was countered through presenting the data collection form which explained the use of the data. The study concluded that there is a statistically positive relationship between prevention strategies, containment strategies, confrontation strategies and business continuity. On the other hand, the study found no statistical relationship between cooperation strategies and business continuity. The study recommends that hotels invest in physical infrastructure such as bullet proof doors, smoke detection machines, surveillance equipment and bio-screening technology. The research further recommends that hotels should have a detailed framework on how the hotels should deal with the disasters and have coordinated efforts and effective communication to manage crisis. Finally, the study recommends that hotels should have cooperation measures with similar industry players, stakeholders and the government including joint destination marketing strategies targeting the reopening of the tourism sites after the occurrence of a crisis. Based on these findings and the policy recommendations there is need for research on the impact of government intervention in managing tourism crisis and enhancing business continuity. Due to the effect of political instability and travel advisories on hotel bookings, there is need for a study on the same and to also assess the coping strategies employed by hotels during and after the occurrence of COVID-19.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The 21st century businesses face the imminent risk of disruptions from factors beyond their control. The commercial environment is greatly affected by acts of nature such as floods, earthquakes and tornadoes. It is also prone to man-made disasters and these calamities impair the ability of the firm to continue with its normal operations (Camillo, 2015). Business enterprises therefore need to have a deep understanding of what affects their internal and external operations. Mikulić (2016) found a positive relationship between crisis management strategies and business continuity. The study found evidence supporting the notion that companies which have a plan on how to deal with unforeseen disasters were more likely to recover from disaster than those without. Crisis management strategies are therefore established to detect, prevent, manage and reduce the adverse effects of a disaster (Mansour & Hafez, 2013).

The study is anchored on contingency theory, resource-based theory and the resource dependency theory. The contingency theory as proposed by Woodward (1958) avers that a crisis is a complex event which cannot be entirely dealt with in a single model. A crisis is a contingency, a future event or a circumstance which is possible but whose occurrence cannot be predicted with certainty. The theory recommends that crisis management strategies should be formulated for each and every possible event which may impair business continuity. This theory will be used in this study to help in the assessment of the crisis management strategies employed by hotels to ensure business continuity.

The resource-based theory as proposed by Wernerfelt, (1984) assumes that a firm is distinguished by the amount of unique resources within its control. The firm can use

the unique resources to outperform its peers in the same environment and develop a superior contingency plan to counter the adverse effects of unexpected disasters. The theory assumes that an organization with superior resources (technological, human resources and physical assets) is more likely to continue with operations after a disaster than one with fewer resources. In this study the theory will be helpful in the assessment of how businesses utilize their unique resources to ensure business continuity during an operational interruption.

On the other hand, the resource dependency theory as proposed Pfeffer and Salancik (1978), emanated from a study of how an organization's behavior is affected by its external resources. It assumes that an organization depends largely on external resources to continue its operations after the occurrence of a crisis. The theory assumes that the external environment poses a significant risk in managing the operations of the business. Natural disasters, restrictive laws such as sanctions and travel advisories are some of the external factors which may affect the attractiveness of a destination. An organization may manage this through cooperation with others in the same sector or merging with another enterprise with superior abilities. The business environment can also lobby for favorable regulatory framework. The theory is therefore useful in explaining how businesses can exercise their power on external forces in order to control the adverse effects of a crisis.

The Hospitality sector contributes about 12% of the total employment in Kenya, more than the global average which stands at around 6%. By the end of 2019 there were about 1.1 million Kenyans employed by the sector (KNBS, 2019). Over the last four years, hospitality sector has contributed over half a trillion; KES 540.6 billion (KNBS, 2020). The sector also increases the foreign currency reserves held by the Central Bank of Kenya. The dollar payments made by tourist eases the pressure on the

Kenya shilling hence leading to a decrease in the depreciation of the shilling against the dollar and other major currencies (Kabii, Wamathai, Jilo & Naghea, 2019).

1.1.1 Crisis Management Strategies

Bundy and Pfarrer (2015) defined organizational crisis as an unexpected activity which affects the normal operations of the business leading to negative results in the enterprise, while Kahn, Barton and Fellows (2013) defined crisis as an event which is perceived by all the stakeholders of a business concern as disruptive in a negative way. Crisis does not only affect the normal operations but can also damage the reputation of the company. According to Joshi and McKendall (2016) a crisis is the occurrence of unfavorable events which has the capability of reducing the expected returns in a business. From the definitions, it is clear that a crisis is an unfavorable event which affects the normal operations of the business, is disruptive, creates uncertainty and can threaten the going concern of the business.

Karam (2018) identified four types of crisis management strategies. These include prevention strategies designed to assist in avoiding a crisis, strategies which confront the crisis, cooperation with external stakeholders and containment strategies. These strategies are modeled around the stakeholder approach (Coombs, 2015), internal resource perspective (Mannor & Wowak, 2015), and relationships with external stakeholders (Zavyalova et al., 2016).

Prevention strategies are designed to prevent a crisis from occurring by putting in place policies and procedures needed to detect a crisis (Mikulić et al., 2016). Such strategies may involve reverse engineering the industry crises that have occurred before which may assist in avoiding a similar crisis, and conducting vulnerability audits. Other measures include; training and empowering the employees to prevent

and detect a crisis, hiring a visionary board of directors which can envision a crisis and plan for it and hiring top management team with risk management skills (Abatecola et al., 2014). They also include implementing biometric screening technologies to identify terrorists and control access to the hotels (Meyers & Mills, 2005), investing in cyber security systems and backups to protect the hotel's information systems (Kim & Lee, 2012) and working closely with the police and other intelligence sources to prevent criminal activities. The business can install CCTV, water sprinklers and smoke detection machines (Pizam, 2010), invest in fire proof and bullet proof access doors, alternative working spaces and guest rooms.

Confrontation strategies are employed by the management of an organization to deal with a crisis situation. These strategies involve analysis of the problem with the view of understanding the cause, gathering sufficient and accurate information on the crisis (Rhee & Valdez, 2009). It involves facing the problem and identifying organized methods of dealing with the crisis and forming capable crisis response teams with required resources. Each crisis is different and calls for specific resources and capabilities which should be identified and the responsibility of the participants defined, for effective execution (Karam, 2018). There is also need for effective crisis communication to the affected parties and harmony among the crisis response teams (Mazzei et al., 2012). They also include offering an explanation as to why the breach of integrity occurred (Tomlinson & Mryer, 2009), confronting false social media publications by offering a verified explanation to the affected parties (Luo & Zhai, 2017) and offering free services to the affected parties in case of poor service quality (Sharabi et al., 2010).

Cooperation strategies involve the reduction of crisis impact through team work, where all the stakeholders are involved to provide a solution to a problem which

affects the entire industry. This involves consulting with the people of opinion, knowledge and experience such as customers, government, competitors and suppliers in joint missions designed to reduce the impact of a crisis. Businesses may cooperate with government defense agencies to prevent and manage terrorist attacks (Becken & Hughey, 2013) and with media agencies to ensure that correct information is relayed to the public to rebuild confidence (Carlsen & Hughes, 2008). Cooperation with government agencies, oversea embassies and commercial sectors to fasten recovery through marketing (Carlsen & Liburd, 2008) is also included. Other collaborative approaches include coordinating joint social media response during a crisis (Möller et al., 2018), joint efforts to reopen major tourist attraction centers and joint destination marketing (Jiang & Ritchie, 2017).

Containment strategies involve those activities which help in reducing the spread and effect of a crisis (Karam, 2018). This involves strategic communication of the crisis to the affected stakeholders though a carefully selected class of employees thereby avoiding rumors, offering first aid to the injured, evacuating the guests to safer places, offering isolation and quarantine rooms during a disease outbreak to reduce the spread (Budd, Bell & Brown, 2009). It also includes arresting the criminals (Gill et al., 2002), equipping all employees to be able to take out fire (Hassanain, 2009). The strategies also involve recovery of physical infrastructure and intangible infrastructure like software (Pennington-Gray, 2014), managing stakeholder (customers, government and suppliers) expectations during a crisis (Morakabati et al., 2017). Care should be taken to protect the brand of the hotel by avoiding exaggeration of the crisis scope and situation (Avraham,2015). These strategies aim at keeping the crisis at a limited scope.

1.1.2 Business Continuity

Niemimaa (2019) defines business continuity as the ability of a firm to restore its core operational business processes after an operational interruption. The threats which could impair the continued operations of the business include natural disasters (earthquakes, floods), infectious diseases, terrorism, war, cybercrime, over-reliance on one supplier or customers, political environment and fire. These threats can destroy the main operating infrastructure and the human capital required to provide services, impacting negatively on the operations of the business. The disasters also affect the customer's perceptions, taste and preferences (Sambo & Bankole, 2016).

When an operational disruption happens due to a crisis, it may be impractical for an organization to maintain all functions during the disaster. Business continuity aims at ensuring that the critical functions are kept up and running during a crisis and recover with as little downtime as possible. An extended outage may lead to financial losses and reputational risk. The key business processes are classified into three; the management processes, the operational processes and the support processes. The operational processes include; purchasing, manufacturing, production, marketing and sales. The support processes include accounting, information technology and recruitment (Alzatari,2019). Business continuity in the hotel industry involves coordination of the above processes to ensure continued service provision to the customers during and after the crisis.

1.1.3 Hospitality Industry in Kenya

The hospitality sector has been on an upward growth trajectory with the country ranked second in terms of number of branded hotels ahead of Nigeria, Ethiopia and Tanzania. There has been an increase in the hotel bed capacity over the years. There were 2,048,334 international arrivals in 2019 as compared to 2,025,206 in 2018. The hospitality industry is comprised of hotels, lodges, restaurants, membership clubs, tour operators and travel agents. The entire sector is controlled by the Tourism Regulatory Authority (TRA) which draws its mandate from section 4 of the Tourism Act No.28 of 2011. The body develops regulatory standards and guidelines for all the players in the tourism sector.

There is a total of 211 star-rated hotels in Kenya as shown in appendix 1. The EAC (2009) enumerates hotel amenities, service quality and the state of the physical building hosting the hotel as the determinants of star-rating. Empirical evidence indicate that star rating enhances the service quality in the hotel sector since the rated hotels would like to maintain and improve their rating. The rating also assists the guests in identifying the level of service which they expect from the hotels. Star rating can also be used as a marketing tool by the hotel to secure higher priced bookings. Guests are willing to pay more for better services, it therefore means that star rating enhances the earning capability of the hotels (Makindi & Obwoyere, 2015).

1.2 Research Problem

The continuity of business during and after the occurrence of a crisis is a critical concern to both managers and stakeholders. Disasters disrupt normal business operations and may lead to loss of revenue and market share (Ocloo et al., 2014). The hospitality sector is worse hit by disasters as compared to other sectors, as people tend to reduce on leisure activities even at the slightest mentioning of a possibility of a

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crisis. Foreign governments may issue travel advisories to their citizens when they suspect the possibility of a crisis in a country or after a crisis occurs (Torabi et al., 2016). Crisis events can also cause loss of trust from clients, brand damage and reputational risk while cyber-attacks may impair the integrity of the IT system and cripple operations of the organization.

The hospitality sector in Kenya contributes on average 13% of the GDP, employs over 1.1 million people in Kenya (Kenya National Bureau of Statistics, 2020) higher that the averages from other countries in Africa and OECD countries where the sector contributes about 6% of the GDP. The sector is an open system affected by both internal and external factors (Ritchie et al., 2013). The following crisis have been identified as the major business disruption in the sector; natural disasters (flood, earthquake, fire), breaches in biosecurity protocols, political insecurity, terrorism, economic crisis, travel bans, disease outbreaks, pandemics and internal inefficiencies in provision of service (Mikulić et al., 2016). There is therefore a need for the companies in this sector to put in place strategies which will shield them from the adverse effect of the crisis.

Despite the advancements of research in on crisis management, little attention has been given to investigating the impact of crisis management on business continuity. Karam (2018) sought to assess the degree of crisis management styles from the Egyptian hotels managers' point of view and how crisis management styles were influenced by strategic planning. In addition, little attention has been devoted to analyzing crisis management strategies adopted by star-rated hotels in Kenya in and their effect in ensuring business continuity. Most of the studies have concentrated on analyzing the impact of crisis management on firm performance (Alzatari, et al., 2019; Olawale, 2014; Mhaske & Khandekar, 2016). Other studies have looked at the

effectiveness of business continuity management on organizational performance or as stand-alone studies without linking it to crisis management strategies (Bakar et al., 2015: Järveläinen, 2013; Mathenge, 2011).

The justification for the study is therefore premised on conceptual and contextual gaps. Conceptually, the relationship between crisis management strategies and business continuity in star rated hotels in Kenya has not been studied. As at the point of writing this paper there was no published works or thesis which have looked at the relationship between the two variables. Most of the existing literature were stand-alone reviews on crisis management strategies and business continuity planning and management. Moreover, most of the literature in crisis management and business continuity are studies set in foreign countries, presenting a contextual gap. Therefore, this study would like to provide an answer the following question; what is the relationship between crisis management strategies and business continuity of star rated hotels in Kenya?

1.3 Objective of the Study

The study is to establish the effect of the crisis management strategies on business continuity of star rated hotels in Kenya.

1.4 Value of the Study

The paper will contribute to the theory of strategic management by validating the assumptions of the anchoring theories; the contingency, the resource-based and the resource dependency theory. Scholars of strategic management will also benefit from the empirical evidence provided on the relationship between crisis management strategies and business continuity. This study will therefore contribute to literature by providing the local evidence on the direction of association between the two variables.

New evidence provided by the study and its findings will be used as basis of further studies in this area.

Additionally, the study will help practitioners to identify the strategic value of institutionalizing crisis management in the management of star rated hotels in Kenya. This paper will also provide a framework for evaluating the effectiveness of the crisis management strategies in minimizing the adverse effects of a disaster. The study will also be beneficial to regulators as it will reveal the state of preparedness of the players in the sector. The government can then use the study findings to inform the policies around strategic management of hotels and disaster preparedness and response.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section will look at the past empirical publications on crisis management and business continuity in the hospitality sector and the theoretical foundation anchoring the study. The contingency theory, resource based theory and the resource dependency theory have been reviewed in the study.

2.2 Theoretical Foundation of the Study

This section deals with the theories which link the concepts of crisis management strategies and business continuity. Three theories will be reviewed under this section; The contingency theory as proposed by Woodward (1958), the resource-based theory as proposed by Wernerfelt (1984) and the resource dependency theory as proposed by Pfeffer and Salancik (1978).

2.2.1 The Contingency Theory

The contingency theory as proposed by Fiedler 1964) postulates that successful management of every crisis is dependent/contingent upon the internal and external resources and constraints This theoretical perspective emanated from the seminal works of Joan Woodward (1958) whose study sought to formulate a scientific way of dealing with crisis situations. The central assumptions of this theory are that organizations are open systems which are affected by both internal and external factors. Therefore, crisis management strategies must address both the internal needs and the external environmental needs of other stakeholders (Ghaderi, Som & Henderson, 2015).

The occurrence of a crisis is usually a complex and chaotic event and the hospitality sector is an open system affected by both internal and external factors (Mikulić,2016).

Internally a company may suffer from bad service quality offered by the staff or the hotel facility and poor management (Wang & Ritchie, 2012). Externally the sector is affected by terrorism, natural disasters, bio security issues, outbreak of diseases and pandemics. These factors affect the attractiveness of tourist destinations and significantly impair the operations of the sector. Contingency theory can then provide a guidance on formulating crisis management strategies in this sector from a contingent perspective while filling in the theoretical gaps.

2.2.2 The Resource Based Theory

The resource-based theory as proposed by Wernerfelt (1984) explains the importance of utilizing unique internal resources to manage a crisis. The successful execution of a crisis management strategy is dependent on the value of internal resources an organization has. Internal resources are described competitive if they are non-substitutable, rare and not easily imitable. The theory assumes that resources are heterogeneous (different from one organization to another) and immobile (cannot be transferred or acquired easily by another organization). The theory proposes that an organization should rely on its unique resources; both tangible (physical assets) and intangible (human capital, patents, service quality) to implement crisis management strategies and to mitigate the impact of the crisis to ensure business continuity (Ismail et al., 2012).

The resource-based theory provides a framework for investigating the effect of crisis management strategies on business continuity. The theory investigates whether an organization has enough internal resources to manage and mitigate the adverse effects of a crisis. Unique human capital (employee skills, experience and expertise), reputation and brand of a hotel may assist in quick recovery of business during a crisis (Carter & Carter, 2009). Additionally, the theory argues that internal structural capital

(formal written guidelines for employees to follow) and relational capital (the relationship maintained by the organization with its public are likely to provide competitive advantage in dealing with a crisis (Benevene & Cortini, 2010). There is however little empirical evidence showing the adoption of the theory by the hospitality sector in crisis management.

2.2.3 The Resource Dependency Theory

The theory was proposed by Pfeffer and Salancik (1978) and postulates that an organization is an open system which requires both internal and external resources to run. The theory recognizes the threats and opportunities which the external environment presents to the organization and assumes that an organization is dependent on the external resources to achieve its goals. The theory assumes that an organization can outperform its peers if it maximizes its powers over the external resources. It also assumes that the internal management of the organization has the capability to find the optimal mix of internal resources and external resources which is needed by a business to succeed.

Given the above assumptions, the theory proposes that organizations should enhance their control over the external environment in order to ensure business continuity during a disaster. The theory further asserts that some manmade disasters can be avoided by an organization through lobbying and convincing the government to have favorable policy and regulatory environment. Joint trainings can be held for the employees where they share ideas on the running of the hotels. Finally, members of a similar industry may collaborate with each other to open new markets by giving discounts and utilizing common assets for the benefit of the industry.

2.3 Crisis Management Strategies and Business Continuity

The relationship between crisis management strategies and business continuity is premised on the fact that what is planned can be managed (Ranjan & Pearson, 2009). The proposed (prevention, confrontation, cooperation and containment) strategies are designed to help the organization prevent the occurrence, manage the crisis and minimize the adverse effect of the crisis (Yin & Walsh, 2011). Additionally, Prewitt, Weil, and McClure (2011) found that the integration of crisis strategy in business continuity planning is a key ingredient in ensuring business continuity. This section will therefore look at the relationship between the various crisis management strategies and business continuity.

The role of planning ahead of a crisis cannot be overemphasized and there is evidence suggesting that companies which put in place preventative strategic plans are more likely to manage a crisis better than those who do not have a plan. AlBattat and MatSom (2014) investigated the impact of emergency planning and disaster recovery in the Malaysian hotel industry. The study found that the state-run hotels were more prepared to manage a crisis as compared to the private hotels because they had in place contingency plans to deal with potential disasters. Additionally, Mathenge (2011) looked at the role of preventative strategies employed by Kenyan state corporations to reduce the chances of occurrence of a crisis. The study concluded that preventative strategies limit the occurrence of disasters in the state-run corporations.

Collaboration with external actors (government, regulators, customers and suppliers) during a crisis have been found to enhance recovery from a disaster. Shehawy, Yasser and Ragab (2017) looked at crisis management actions adopted by the Egyptian travel agencies. Their study found that external cooperation with other industry players and the government helped in reducing the adverse effects and ensured quicker restoration

of normalcy. Brown, Feldmann-Jensen and Johnston (2017) also found that collaborations with external stakeholders minimizes the adverse impact of a crisis. Murshid (2014) found that government interventions during a crisis leads to reduced impact and quick recovery from a disaster. Avraham (2015) analyzed how Sub Saharan African countries used media strategies to repair destination image during and after crisis. The study found that marketers used media cooperation to repair destination images.

Karam (2018) found that the implementation of crisis management strategies (preventative strategies, cooperation strategies, confrontation strategies and containment strategies) leads to faster restoration of business operations for Egyptian 5-star hotels. Cahyanto and Pennington-Gray (2017) also found a positive relationship between containment strategies and business continuity. Economic resources, social and political capital, human capital, physical resources and visitor resources were necessary in containing a crisis situation. The study found that organizations which possess optimal proposition of these resources were more likely to contain crisis situations and consequently are more likely to continue with their operations even after the occurrence of a crisis.

Çakar (2018) looked at the critical success factors for crisis management and business continuity using a case study of Turkish hotels. Data was collected from both public and private sector tourism stakeholders. The findings of the study indicate that strategy formulation, collaboration with external and internal stakeholders, efficient communication and crisis management policies are key contributors to crisis management. These factors were identified as critical in enhancing recovery and consequently enhancing business continuity. Campiranon and Scott (2014) also reviewed the critical success factors for crisis recovery using evidence from Phuket

hotels in Thailand. Their study found that strategic planning, staff involvement and stakeholder engagement leads to reduction of loses and improve the chances of business recovery.

Chowdhury et al (2018) examined the impact of cooperation strategies in reducing the adverse effects of a crisis. Evidence was picked from interviews with tourism stakeholders in New Zealand. The study found that relational capital; having a favorable relationship with suppliers, customers, government and competitors reduces the impact of a crisis and enhances the chances of business continuity. On the other hand, Nwokorie (2016) looked at how relationship marketing as a service recovery strategy affected customer loyalty in selected hotels in Lagos. The study found that relationship marketing improves customer loyalty thus reduces the impact of a crisis and enhances business continuity. Therefore, the study recommended that hotels should increase their investments in relationship marketing as a strategy to control the adverse effect of service failure.

2.4 Conceptual Framework

This is the pictorial explanation of the research problem. It depicts the pictorial outlook of the interrelationship between the response variable and the explanatory variables. Figure 2.1 represents the conceptual framework for this study.

Independent Variable   **Dependent variables**

Crisis Management Strategies
▪ Prevention Strategies ▪ Confrontation strategies ▪ Cooperation Strategies ▪ Containment Strategies.

Business Continuity
▪ Restoration of operational Activities ▪ Restoration of Support Services
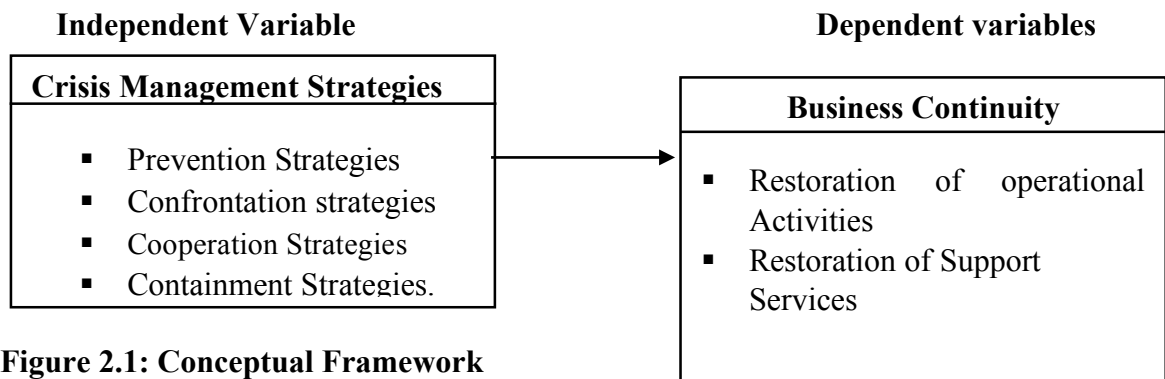
Figure 2.1: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodology covered included; research design used, target population, sampling techniques used to select the sample and the various data analysis techniques that were used. Finally, the section reviewed validity and reliability of the research questionnaire.

3.2 Research Design

The study used a descriptive cross-sectional research design which was appropriate because data was collected from various star rated hotels at the same time (Jelicic et al., 2020). Secondly the objective of the research was to discover what has already happened; how crisis management strategies affect business continuity. Therefore, the goal was to describe what has already happened in the past and use that to predict the future. Previous studies by Murshid (2014), Bilić, Pivcevic and Čevra (2017) and Shehawy, Yasser and Ragab (2017) used the descriptive cross section research design to conduct their research.

3.3 Population of the Study

This included the entire 211-star rated hotels distributed across Kenya (Tourism Regulatory Authority, 2019). This population was selected because it can represent the hospitality sector with regards to the study objectives. These hotels are most affected by disasters as compared to the restaurants. Additionally, the star rated hotels were a more reliable source of data because they have a regulator and adhere to some industry standards in order to retain or upgrade their rating. The population was also

appropriate because they can utilize the results of the study to improve on how they manage crisis.

3.4 Sample Size

The sample size was 138 star rated hotels in Kenya, computed using the mathematical formula as proposed by Yamane (1967). The following formulae was used to compute the sample size $n = \dfrac{N}{1+N(e)^2}$

Where: n = Desired sample size, N = Target population size with characteristics being measured, e = Degree of precision usually set at 0.05. The computation of the sample is shown in Table 3.1.

Table 3.1: Computation of Stratified Sample Sizes

#	Hotel Classification	N	Fraction of Population	Sample Size
1	1 Star	3	0.014	2
2	2 Star	58	0.274	38
3	3 Star	60	0.284	39
4	4 Star	66	0.313	43
5	5 Star	24	0.114	16
			Total	138

Source: Research (2020)

The researcher used stratified random sampling technique and the choice of this methodology was premised on the fact that hotels are divided into different strata according to the star rating. It was therefore important to select samples from each class of rating. (Saunders & Thornhill, 2016).

3.5 Data Collection

Primary data was collected using a structured questionnaire divided into three parts as follows; part 1 sought background information about the respondent, part 2 dealt with crisis management strategies and part 3 dealt with business continuity. Data was collected using mixed methods; face to face administration and online methods. Data was collected from one respondent per hotel who was the operations manager or the general manager or their appointed representatives. This target group was preferred because they are usually responsible for the formulation and implementation of policy.

The questionnaire method was deemed appropriate because it eliminated the personal bias; the findings of the research was based on data collected from the respondents and not the personal opinions of the researcher (Battaglia, 2011). The questionnaire was administered through a combination of online research tools such as survey monkey and google forms and face to face administration where applicable. This method was deemed appropriate because of the current pandemic situation which limited physical contact.

3.6 Data Analysis

Data was analyzed using the descriptive statistics, correlation and regression analysis using the SPSS software. The descriptive statistics include (maximum, minimum, mode, mean and standard deviation). The descriptive statistics were used to summarize the findings of the various constructs of the study. The study used correlation analysis to assess the direction and the strength of how the dependent variable was correlated with the independent variable. Finally, the relationship between the dependent variable and independent variables was determined through the regression analysis.

The study used ordinary least square regression methodology to ascertain the relationship between crisis management strategies and business continuity. The selected confidence level was 95%. The p-value was used to assess whether the explanatory variable had a statistical relationship with the dependent variable. If the p-value was less than 0.05 then the variable was deemed significant, on the other hand if the p-value was greater than 0.05 then the variable was deemed not to have any statistical relationship (Aiken & West, 1991). The regression model in its general form is given below.

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

Where Y=Business continuity

β_0, is a constant, $\beta_1 - \beta_4$, are coefficients of the criteria,

X_1 = Prevention Strategies, X_2 = Confrontation strategies, X_3 = Cooperation Strategies, $X4$ = Containment Strategies and e =error term.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This section details the analysis of the data. It looks at the response rate achieved, the demographic characteristics of the respondents, descriptive statistics (describing the results using mean and standard deviation), the correlation analysis of the explanatory variables and the dependent variable and regression analysis.

4.2 Response Rate

Out of the targeted 138 star rated hotels, the researcher managed to get responses from 114 hotels as shown in Table 4.1. This translates to 83% response rate and is above the threshold set by Saunders and Thornhill (2016). Their study concluded that a response rate above 70% is sufficient for inferential statistics. The high response rate was achieved because of the mixed approach of data collection (online and physical). The participants were also willing to provide data because they were convinced that the research would be beneficial to them through improving the industry standards on crisis management and business continuity.

Table 4.1: Response Rate

#	Details	Frequency	Percentage
1	Positive responses	114	83%
2	No responses	24	17%
3	**Total Expected Responses**	**138**	**100%**

Source: Research Findings (2020)

4.3 Data Reliability

Internal consistency of the data was tested using the Cronbach's Alpha. This statistic measures the consistency in the coding of the questions. The statistic runs from 0 to 1 with zero indicating no consistency and 1 indicating perfect consistency. The rule of

thumb for this statistic assumes that if the statistic is 0.7 and above the questions are internally consistent as presented in Table 4.2.

Table 4.2: Overall Cronbach's Alpha

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.792	0.792	5

Source: Research Findings (2020)

Table 4.2 shows that the overall Cronbach's alpha based on standardized items is 0.792. This means that the entire questionnaire is internally consistent because it is more than the 0.7 threshold. The individual Cronbach's alpha is presented in Table 4.3

Table 4.3: Individual Cronbach's Alpha for variables

#	Details	Cronbach's Alpha	Interpretation
1.0	Business Continuity	0.841	Internally consistent
2.0	Containment	0.825	Internally consistent
3.0	Confrontation	0.865	Internally consistent
4.0	Prevention	0.892	Internally consistent
5.0	Cooperation	0.782	Internally consistent

Source: Research Findings (2020)

The Cronbach's Alpha for individual variables (business continuity, containment strategy, confrontation strategy, prevention strategy, cooperation strategy and) are 0.841, 0.825, 0.865, 0.892 and 0. 782.These results confirm the reliability of the instrument because both the individual and collective Alpha's are greater than 0.7.

4.4 Demographic Characteristics of the Respondents

This section analyses the demographic characteristics of the respondents. It provides insights on the various levels of management, different work experience, the gender and age of the respondent.

4.4.1 Level of Management of the Respondents

This sub section details the level of management of the respondents. Table 4.4 shows both the frequency and the percentage of each category. It shows that 62% of the respondents were in senior management while 30% were in middle level management and only 8% were in lower management position. This implies that a majority of the respondents were senior managers.

Table 4.4: Level of Management of the Respondents

#	Level of Management	Frequency	Percentage
1	Top management	71	62%
2	Middle management	34	30%
3	Lower management	9	8%
4	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.4.2 Work Experience of the Respondents

In terms of work experience, 8% of the respondents had less than five years' experience,26% had between 6-10 years' cumulative work experience, another 26% had between 11-15 years' work experience and 39% had over 15 years' work experience indicating that the senior managers were highly experienced as presented in Table 4.5.

Table 4.5: Work Experience of the Respondents

#	Work Experience	Frequency	Percentage
1	< 5 years	9	8%
2	6-10 years	30	26%
3	11-15 years	30	26%
4	>15 years	45	39%
5	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.4.3 Gender of the Respondents

Table 4.6 shows the distribution of respondents by gender and indicates that 49% of them were male while 51% were female. This means that there was an almost equal participation between men and women in the survey thus implying that there was a good mix of men and women in the top management teams of the star rated hotels.

Table 4.6: Gender of the Respondents

#	Gender	Frequency	Percentage
1	Male	56	49%
2	Female	58	51%
3	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.4.4 Age of the Respondents

Table 4.7 shows the age distribution of the respondents. It shows that only 4% were between the ages of 20-30,39% were between the ages of 31- 40 years while 36% were between the ages of 41-50 and 20% were more than 50 years of age. This is consistent with the general expectation because employees need experience to rise to senior management position as 96% of them were above 30 years.

Table 4.7: Age of the Respondents

#	Age	Frequency	Percentage
1	20-30	5	4%
2	31-40	45	39%
3	41-50	41	36%
4	More than 50	23	20%
5	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.5 Characteristics of the Hotels

This section describes the characteristics of the participating hotels and provides more insights on the classification of the hotels, years in operation, number of units and the business types.

4.5.1 Hotel Classification (Star Rating)

In terms of the star rating classification, Table 4.8 shows that there was a total of 114 hotels which participated in the survey out of which (1%,25%,42%,18% and 13%) were one star, two-star, three-star, four star and five star rated hotels. This means that a majority of the hotels under survey were three stars rated followed by two star rated hotels.

Table 4.8: Hotel Classification

#	Hotel Classification	Frequency	Percentage
1	One-star	1	1%
2	Two-star	28	25%
3	Three-star	48	42%
4	Four-star	20	18%
5	Five-star	15	13%
6	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.5.2 Years in Business

This section analyzes the hotels based on the number of years the hotels have been in business. Table 4.9 shows the duration the hotels have been operational; 37% of the hotels had been in business for less than five years, 46% have been in operation between 5-10 years and 18% have been operational for over 10 years. This result shows that most of the hotels in the survey have been in business between 0 to 10 years.

Table 4.9: Years in Business

#	Years in Business	Frequency	Percentage
1	< Five years	42	37%
2	5-10 years	52	46%
3	> 10 years	20	18%
4	**Total**	**114**	**100%**

Source: Research Findings (2020)

4.5.3 Number of Accommodation Units

Table 4.10 shows the distribution of hotels by the number of accommodation units they have. The results also indicate that a majority of the hotels had between 0-50 rooms (47%), 32% of the hotels had between 51-200 hotel rooms while 21% had more than 200 rooms.

Table 4.10: Number of Accommodation Units

#	Number of Accommodation Units	Frequency	Percentage
1	Up to 50	54	47%
2	51-200	36	32%
3	More than 200	24	21%
4	**Total**	**114**	**100%**

Source (Research Findings, 2020)

4.5.4 Type of Business

This sub section analyzes the mode of business; the hotel businesses are either run as a chain of business or independently. Table 4.11 shows the distribution of hotels by the type of business. The results indicate that 65% of the hotels are independently managed while 35% of the hotels are managed as a chain of hotels.

Table 4.11: Type of Business

#	Business Type	Frequency	Percentage
1	Independent	74	65%
2	Hotel chain	40	35%
3	**Total**	**114**	**100%**

Source (Research Findings, 2020)

4.5 Types of Crisis Affecting the Hospitality Sector

This section will review the types of crisis affecting the hospitality sector. A five-point Likert scale (with 5 representing Very great extent, 4, Great extent,3, Moderate extent, 2, Little extent and 1, Not at all) was used to assess the responses. Table 4.12 shows the results with the following meaning attached to the mean score ;(1-1.9 for strongly disagree, 2- 2.9 disagree,3-3.9 neutral ,4-4.9 agree and 5 for strongly agree).

The types of crisis that could face the hotels are summarized in Table 4.12. Floods, earthquakes, cholera, hacking of records, identity fraud and war have the following mean score (1.31,1.00,1.00,1.14,1.78 and 1.00) respectively. This means that the respondents strongly disagree that these crises affect the industry. These results are supported by the fact that Kenya is not significantly affected by earthquakes, floods are infrequent the country is equally peaceful with no known history of war. Cholera outbreaks also do not affect the star rated hotels because of their high level of hygiene. Additionally, the industry is not severely affected by identity fraud.

However, the results indicate that terrorism within and outside the hotel greatly affects the tourism sector. These two variables have a mean of 4.27 and 4.87 respectively as the tourism sector has been greatly affected by terrorism both within and outside the hotel. Terrorism impairs the destination attractiveness and leads to cancellation of hotel bookings. Moreover, political instability and general election have also been found to affect the tourism sector significantly. The variables have a mean score of 4.77 and 4.82 respectively, implying that general elections that have sometimes resulted in post-election violence and political instability are a threat to destination attractiveness. Political instability threatens the peace of the country and hence this leads to cancelations by guests.

The threat of Covid-19 was also found to have affected the industry greatly with the variable having a mean score of 4.88. Covid-19 led to the closure of hotels as a containment strategy by the Ministry of Health and government directives to curb the spread, affecting the hotel business greatly. There were also travel restrictions, curfews and lockdowns and tourists had been barred from traveling due to the disease. Economic recession also affects tourism greatly with a mean score of 4.32. Economic slowdown affects the ability to purchase and consequently leads to a reduction in

hotel business. Travel advisories also affect the tourism industry significantly as it has a mean score of 4.87 which indicates that a significant number of respondents viewed it as a threat. Travel advisories leads to cancellation of hotel bookings and diminishes the general attractiveness of a destination.

Table 4.12: Type of Crisis

#	Type of Crisis	Mean Score
1	Floods	1.31
2	Earthquakes	1.00
3	Terrorism within hotel	4.27
4	Terrorism outside hotel	4.85
5	Political instability	4.77
6	General elections	4.82
7	Cholera	1.00
8	Covid-19	4.88
9	Hacking of records	1.14
10	Identity fraud	1.78
11	War	1.00
12	Economic recession	4.32
13	Travel Advisories	4.87

Source (Research Findings,2020)

4.6 Crisis Management Strategies

The study assessed the various strategies adopted by star rated hotels to help them continue in operation. A five-point Likert scale (With 5 representing Very great extent, 4, Great extent, 3, Moderate extent, 2, Little extent and 1, Not at all) was used to assess the responses for all the strategies. The results have been analyzed using mean score and the following interpretations have been attached to the mean score (1-1.9 for strongly disagree, 2- 2.9 disagree, 3-3.9 neutral, 4-4.9 agree and 5 for strongly agree).

4.6.1 Prevention Strategies

The respondents were asked to indicate the extent to which their organization has put in place the various concepts of prevention strategies to avert the occurrence of a crisis. Table 4.13 provides the results of the various responses. The results indicate that most of the respondents agree that defining detection and prevention policies and procedures help in preventing the occurrence of a crisis. This measure has a mean score of 4.09 which means that most of the respondents had this measure in place.

Training the employees on how to prevent and detect a crisis has a mean score of 4.25, this means that a number of respondents agree that this measure can help the organization to prevent the occurrence of a crisis. Most of the respondents also agree (mean score of 4.01) that that hiring a visionary board of directors who can envision a crisis is critical in preventing crisis and ensuring faster restoration of business activity after the occurrence of a disaster. The results also reveal that recruiting a CEO and top managers with risk management skills was critical in preventing the occurrence of a crisis. It has a mean score of 4.01 which means that most respondents agree that this construct is an effective way of preventing a crisis and enhancing business continuity after a crisis.

The results also indicate that investment in technology such as cybersecurity systems, biometric screening and CCTV plays a big role in preventing the occurrence of a crisis. This component has a mean score of 4.13 indicating that these investments were considered worthwhile in preventing the occurrence of a crisis. Additionally, most of the respondents (mean of 4.12) agreed that investments in physical infrastructure such as water sprinklers, smoke detection machines, fire and bullet proof doors was critical in preventing the occurrence of a crisis. Moreover, the research indicates that investing in alternative working spaces can ensure that critical processes continue hence preventing total disruption of service. This is because the

hotel staff can be moved to the alternate working spaces and ensure the continuity of essential services; a mean of 4.02.

Table 4.13: Prevention Strategies

#	Prevention Strategies	Mean
1.0	Defining detection and prevention policies and procedures	4.09
2.0	Training the employees on how to prevent and detect a crisis	4.25
3.0	Hiring a visionary board of directors in who can envision a crisis and plan for it	4.01
4.0	Recruiting a CEO and top managers with risk management skills	4.01
5.0	Investment in technology such as cybersecurity systems, biometric screening and CCTV	4.13
6.0	Investment in physical infrastructure such as water sprinklers, smoke detection machines, fire and bullet proof doors	4.12
7.0	Investing in alternative working spaces	4.02
8.0	Composite mean = 4.09, standard deviation = 0.304, relative mean weight =82%	

Source (Research Findings,2020)

The overall mean score for the prevention strategies is 4.09 with a relative mean weight of 82%. This is relatively high meaning that most of the hotel managers believe that prevention strategies can help the hotels in dealing with the occurrence of a crisis. This is because these strategies help the hotels to avoid a crisis through planning way ahead of the occurrence of a crisis. Hence it is a preferred methodology of dealing with a crisis.

4.6.2 Confrontation Strategies

This section looks at the confrontation strategies used during the occurrence of a crisis. Table 4.14 shows the results of the responses gathered with regards to confrontation strategies. A majority (mean score 4.19) of the respondents agree that understanding the cause and quickly gathering sufficient and accurate information helps in managing a crisis situation. Additionally, most of the respondents agree that

specifying the necessary resources and capabilities increases the chance of containing the crisis. This variable has a mean score of 4.18 and this implies that it is a widely acceptable way of managing the occurrence of a crisis. Moreover, most of the respondents agree that forming crisis teams and equipping them with the required resources and defining the responsibility of each team member leads to proper management of the crisis situation. This variable has a mean score of 4.18 this implies that this is a commonly used strategy for managing a crisis after its occurrence.

For crisis relating to breach of integrity a majority (mean score of 4.19) of the respondents agree that offering an explanation to the affected clients is an appropriate way of dealing with the crisis. Clients feel reassured if an explanation is given to them on why the breach occurred. The study has also identified that confronting false social media publications by offering a verified explanation to the affected parties is key in dealing with cyber bullying and false accusations. This strategy has a mean score of 4.36 implying that this was considered an effective way of dealing with false social media accusation. Customers tend to respect the explanations made from a verified source such as a press release from a general manager.

Additionally, the results of the study indicate that offering free goods and services is an effective way of dealing with poor service quality. The mean response for this variable is 4.21. This strategy helps the hotels to restore the confidence of the clients because it gives the hotel another chance to serve the client. Finally, the results indicate that designing effective crisis communication and information systems helps in confronting the crisis. Effective communication leads correct packaging of crisis information and this helps in managing the expectations of the stakeholders.

Table 4.14: Confrontation Strategies

#	Confrontation Strategy	Mean
1	Understanding the cause and quickly gathering sufficient and accurate information on the crisis	4.19
2	Specifying the necessary resources and capabilities to confront the crisis	4.18
3	Forming crisis teams with the required resources and defining the responsibilities of the participants	4.18
4	Offering an explanation as to why the breach of integrity occurred	4.19
5	Confronting false social media publications by offering a verified explanation to the affected parties	4.36
6	Offering free goods and services to clients help in resolving poor service quality.	4.21
7	Designing effective crisis communication and information systems	4.25
8.	Combined mean = 4.22, standard deviation =0.23, relative mean weight =84%	

Source (Research Findings,2020)

This strategy has a mean score of 4.22, a relative mean weight of 84% and a standard deviation of 0.23. This implies that most of the managers employ the confrontation strategies in managing the occurrence of a crisis. These strategies assist the managers to manage the crisis after its occurrence, therefore most managers engage them during the crisis.

4.6.3 Cooperation Strategies

These are the strategies used by hotels to combat the impact of crisis which affects the entire industry. These strategies include collaborating with all the industry players which include suppliers, customers, competitors and government agencies in order to reduce the impact of a crisis or to prevent the occurrence of the crisis. Respondents were asked to indicate the extent to which their organization engages the cooperation strategies to reduce the impact of a crisis.

Table 4.15 shows that on average most of the hotels do not have pre planned contracts with customers and suppliers which are designed to cushion the hotels during a crisis. The strategy has a mean score of 2.94, which implies the almost near absence of cooperation with suppliers. The results indicate that hotels do not generally consult

people of opinion knowledge and experience on how to deal with a crisis. The variable has a means core of 3.19 which means that most manager are neutral about the issue; this implies that the hotels often rely on their own internal measures to deal with a crisis.

The results indicate that the respondents were indifferent about the role of collaborating with the government agencies to provide specialized assistance during a crisis. Whilst this is an important aspect of crisis management the results indicate that the average score was 3.17 which means that the responses were not conclusive on the issue. Moreover, the results are inconclusive on the issue of cooperating with government agencies, oversea embassies and commercial sectors to market a destination help to fasten recovery after a crisis. This variable has a mean score of 3.23 which implies that the respondents were neutral about the issue.

The results also indicate that hotels do not cooperate with media agencies to ensure that correct information is relayed to the public and other stakeholders. This variable has a mean score of 2.92 indicating that this is not a widely used strategy. On the same note the results indicate that the hotels do not actually collaborate to hold joint social media response during a crisis. This variable has a mean score of 2.99 which implies that the hotels does not employ this strategy. Moreover, a majority of the respondents indicated that they have not invested in joint efforts with other industry players to reopen major tourist attraction centers and joint destination marketing help in restoring business normalcy. This variable has a mean score of 2.89 which implies that this strategy is not used in the industry.

Table 4.15: Cooperation Strategies

#	Cooperation Strategies	Mean
1	To what extent does pre planned contracts with customers and suppliers help in minimizing the adverse effects of a crisis and enhancing business continuity after the occurrence of a crisis.	2.94
2	Consulting with the people of opinion, knowledge and experience.	3.19
3	collaboration with government agencies to provide specialized assistance during a crisis	3.17
4	Cooperating with media agencies to ensure that correct information is relayed to the public and other stakeholders	2.92
5	Cooperating with government agencies, oversea embassies and commercial sectors to market a destination help to fasten recovery after a crisis.	3.23
6	Holding joint social media response during a crisis	2.99
7	Investing in joint efforts with other industry players to reopen major tourist attraction centers and joint destination marketing help in restoring business normalcy.	2.89
8	Combined mean = 3.05, standard deviation =0.44, relative mean weight =61%	

Source (Research Findings,2020)

The results indicate that the hotels do not generally use cooperation strategy. This variable on overall has a mean score of 3.05, standard deviation of 0.44 and a relative mean weight of 61%. This means that most of the respondents were neutral about the application of the various cooperation strategies.

4.6.4 Containment Strategies

The containment strategies discussed in this section include, working on a formula to contain the crisis, communication to affected stakeholders, recovery of assets, protecting the image of the hotel and setting up alternate working location. Table 4.16 shows the results-based responses received about the containment strategies. A significant number of respondents (Mean score of 4.34) indicated that working on a formula to containing the crisis is a necessary step in reducing the impact of the crisis. On the same note the results indicate strategic communication of the crisis to the affected stakeholders can help in managing the crisis situation. This variable has a mean score of 4.4 which implies that most of the hotel manager use this strategy to

reduce the impact of the crisis. Additionally, the results indicate that managing stakeholder expectations is key in restoring normalcy after the occurrence of a crisis. With a mean score of 4.36 this strategy is widely used by hotel managers.

Additionally, most of the respondents agree that recovery of both tangible and intangible infrastructure is an important step in managing the crisis situation. This measure has a mean score of 4.24 which implies that recovery of assets is a priority in managing a crisis. Moreover, activating the alternative work space has been identified as an important aspect in crisis management. This variable has a mean score of 4.36 which implies that it is a widely used strategy in the star rated hotels. Finally, most of the respondents (mean of 4.34) agreed that accurate communication of the crisis situation helps in protecting the image and the brand of the hotel.

Table 4.16: Containment Strategies

#	Containment Strategies	Mean
1	Working on containing the crisis to a limited scope so as not to spread	4.34
2	Strategic communication of the crisis to the affected stakeholders though a carefully selected class of employees	4.40
3	Recovery of both tangible and intangible infrastructure	4.24
4	Managing stakeholder expectations	4.36
5	Protecting the image and the brand of the hotel by avoiding rumors and exaggerations about the crisis	4.34
6	Activating alternative work sites and service delivery options	4.26
7	Combined mean = 4.32 Standard deviation =0.214, relative mean weight =86%	

Source (Research Findings,2020)

The results indicate that the containment strategies have a mean score of 4.32, standard deviation of 0.214 and relative mean weight of 86%. This implies that most of the hotels employ the use of these strategies in managing the crisis. These are post occurrence strategies used to reduce the impact of the crisis and hence the reason why they are predominantly employed.

4.6.5 Business Continuity; Restoration of Operational Activities

This section assesses how fast the star rated hotels can restore their operational activities. Respondents were asked to rate the speed of restoration of various business activities after the occurrence of a crisis. The following scale was used in the assessment; (5 means Extremely fast, 4, Very fast,3, Moderate, 2, Slow and 1, Very slow). This data is further analyzed in table 4.17 using percentages and mean (analyzed as follows 1-1.9 for very slow, 2- 2.9 slow,3-3.9 neutral ,4-4.9 very fast and 5 for extremely fast).

Table 4.17 indicates that most of the organizations are able to resume sourcing and purchasing activities after the occurrence of a disaster. This measure of business continuity has a mean score of 4.04 indicating that these services can be restored very fast. On the same note resumption of production and provision of service has a mean score of 4.1 indicating that it can also be resumed very fast. The resumption of sales and marketing after the occurrence of a disaster is very fast (mean score of 4.13). The accounting department can also resume their service very fast (mean score of 4.06), Similarly IT services can also be resumed very fast (mean score of 4.20). However, recruitment of employees has a mean score of 3.93 indicating a neutral position; not very fast not very slow.

Table 4.17: Restoration of Operational Activities

#	Restoration of Operational Activities	Mean
1	How fast does your organization resume sourcing and purchasing activities after the occurrence of a disaster	4.04
2	How fast does your organization resume production and provision of service after the occurrence of a crisis?	4.10
3	How fast does the organization resume its sales and marketing activities after the occurrence of a disaster	4.13
4	How fast does your accounting department resume their services after the occurrence of a crisis	4.06
5	How fast does your company restore IT services such as internet connectivity and availability of core system after the occurrence of a crisis.	4.20

6	How fast does your company restore its recruitment of new employees after the occurrence of a crisis?	3.93
7	Combined mean = 4.08 Standard deviation =0.43, relative mean weight =82%	

Source; Research Findings (2020)

In summary the results indicate that the hotels can restore their production, service provision, sales, marketing, accounting services, IT services very fast after the occurrence of the crisis. The combined mean for the variable is 4.08, standard deviation is 0.43 and relative mean weight is 82%. This indicate that most of the operational issues can be restored shortly after an interruption.

4.7 Correlation Between Crisis Management Strategies and Business Continuity

The Pearson correlation statistic is used to assess the strength of correlation between the dependent variable (business continuity) and explanatory variables (containment strategy, confrontation strategy, prevention strategy and cooperation strategy). The statistic runs from -1 to +1. The mathematical sign shows the direction of correlation. The pre-determined rule of thumb for the interpretation of the statistic is given below; +/- 0-0.24 = no correlation, +/-0.25-0.49 = a weak correlation, +/-0.5-0.74 = moderate correlation and +/-0.75-1 = strong correlation. The results of the Pearson correlation are indicated in Table 4.18. Containment strategy has a coefficient of 0.457 indicating a weak correlation, while confrontation strategy and prevention strategy have a coefficient of 0.577 and 0.642 respectively. This indicates a moderate correlation. However, cooperation strategy has no correlation with business continuity (coefficient of -0.004).

Table 4.18: Pearson Correlation

#	Correlation	Business Continuity	Containment Strategy	Confrontation Strategy	Prevention Strategy	Cooperation Strategy
1	Business Continuity	1				
2	Containment Strategy	0.457	1			
3	Confrontation Strategy	0.577	0.116	1		
4	Prevention Strategy	0.642	0.055	0.643	1	
5	Cooperation Strategy	-0.004	-0.029	-0.037	0.034	1

Source; Research Findings (2020)

4.8 Regression Analysis and Hypothesis Testing

Ordinary least square (OLS) regression methodology was used to assess the relationship between business continuity and crisis management strategies (containment strategy, confrontation strategy, prevention strategy and cooperation strategy). This section is divided into model summary which assess the combined impact of the crisis management strategies on business continuity, the analysis of variance which examines the overall significance of the model and the regression model which estimates the individual contribution of the independent variables in explaining the changes in the dependent variable.

4.8.1 Model Summary

The model summary shows the proportion of the dependent variable (business continuity) which is explained by the explanatory variables (containment strategy, confrontation strategy, prevention strategy and cooperation strategy). It is an important estimate since the study does not consider all the determinants of the dependent variables. The statistics run from 0-1 with higher figures indicating that the independent variables combined explain a higher proportion of the dependent variable while lower figures indicate that the independent variables explain a low proportion.

Table 4.19 shows that the adjusted R-square of 0.605 shows that 60.5% of the changes in the predicted variable is explained by the explanatory variables.

Table 4.19: Model Summary

Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.787	0.619	0.605	0.416

a Predictors: (Constant), containment strategy, confrontation strategy, prevention strategy and cooperation strategy

b Dependent Variable: Business continuity

Source: Research Findings 2020

4.8.2 Analysis of Variance

The analysis of variance (ANOVA) statistic measures the overall significance of the model. It provides confidence that the model as set is capable of explaining the statistical relationship between the dependent and the predictor variable. This statistic uses both the F values and the Sig value to test whether the model is statistically significant. The decision criteria is that the model is significant if the F-value is more than 10 and the Sig -value is less than 0.05. Table 4.20 shows that the F-value is 44.30 while the Sig -value is.000. These values imply that the explanatory variables collectively explain the changes in the dependent variable.

Table 4.20: Analysis of Variance

ANOVA Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4	30.71	7.68	44.30	.000b
Residual	109	18.89	0.17		
Total	113	49.60			

a Dependent Variable: Business continuity

b Predictors: (Constant), containment strategy, confrontation strategy, prevention strategy and cooperation strategy

Source: Research Findings 2020

4.8.3 Regression Model

The regression model examines whether there is a statistical relationship between the independent variables and the dependent variable. It uses a 95% level of confidence (there is a 95% chance that the model predictions are correct, and a 5% chance that the model predictions are not correct). The regression model uses the following rule of thumb; The variable is statistically significant if the Sig value is less than 0.05 otherwise the variable is deemed not to be significant (has no explanatory power over the dependent variable).

Table 4.21: Regression Model

Model	Coefficients B	Std. Error	T	Sig.	Interpretation
Intercept	0.285	0.328	0.869	0.387	Not Significant
Containment	0.385	0.057	6.791	0.000	Significant
Confrontation	0.152	0.053	2.894	0.005	Significant
Prevention	0.372	0.061	6.134	0.000	Significant
Cooperation	0.001	0.059	0.009	0.993	Not Significant

a Dependent Variable: Business continuity
b Predictors: (Constant), containment strategy, confrontation strategy, prevention strategy and cooperation strategy

Source: Research Findings 2020

Table 4.21 shows that containment strategy, confrontation strategy and prevention strategy are statistically significant in explaining business continuity, while the intercept and cooperation strategies are not statistically significant in explaining business continuity. Based on results above the regression equation is therefore presented as below based on the significant variables.

$Y = 0.385X1 + 0.152X2 + 0.372X3$

Where;

X1= Containment strategies, X2= Confrontation strategies and X3 = Prevention strategies.

4.9 Discussion of Research Findings

The study sought to find the relationship between crisis management strategies (containment strategy, confrontation strategy, prevention strategy and cooperation strategy) and business continuity. The study found that there is a statistically significant positive relationship between preventative strategies, confrontation strategies, containment strategies and business continuity. Investing in technology (cybersecurity systems, biometric screening and CCTV) and physical infrastructure (water sprinklers, smoke detection machines, fire and bullet proof doors) is likely to prevent the occurrence of fire and terrorism .Training the employees on how to prevent and detect a crisis, hiring a visionary board of directors who can envision a crisis, recruiting a CEO and top managers with risk management skills is critical in preventing the occurrence of a crisis and consequently contributes positively to the continuation of normal business operations.

These results agree with the findings of Yin and Walsh (2011) who investigated the impact of crisis management on business continuity and found that prevention strategies help in detecting a crisis and minimizing the chances of occurrence. AlBattat and MatSom (2014) also found that firms which had a preventative plan had a better chance of managing the occurrence of a crisis than those who did not. They also support the findings of Mikulic (2016) who proposed a proactive approach to crisis management for Croatian tourism industry.

Working on a formula to containing the crisis, strategic communication of the crisis to the affected stakeholders, recovery of both tangible and intangible infrastructure and accurate communication of the crisis situation helps in restoration of normalcy after the occurrence of a crisis. These results are consistent with the findings of Karam (2018) whose study found that containment strategies assisted the Egyptian hotels to

restore normalcy after the occurrence of a crisis and found that most hotels used a reactive approach.

The concepts of confrontation strategy include understanding the cause of the crisis, forming crisis teams equipped with the necessary resources. The responsibilities of the response team need to be defined to ensure harmonious crisis confrontation. It also involves offering an explanation to the customers during a crisis, confronting false social media publications by offering a verified explanation to the affected parties, offering free goods and services to affected clients where applicable. These strategies along with effective crisis communication were found to be effective in managing crisis and thus leading to continued business operations.

These results support the findings of Campiranon and Scott (2014) whose study concluded that formation of special teams to deal with a crisis, staff engagement and confrontation of false social media accusations enhanced recovery of operational activities after the occurrence of a crisis. Additionally, the study found that the intercept was not statistically significant, this means that busines continuity is entirely dependent on other factors such as crisis management strategies and the planning of the organization.

 The results indicate that there is no statistically significant relationship between cooperation strategies and business continuity. This is predominantly because most of the respondents indicated that the hotels do not embrace these strategies in reducing the impact of a crisis. Most of the respondents indicated that the hotels do not have cooperation mechanisms (pre-planned contracts with customers and suppliers) or collaboration with government agencies to provide specialized assistance during a crisis. There was minimal cooperation with government agencies, oversea embassies and commercial sectors to market a destination, and lack of joint social media

response during a crisis to help the industry to cope with the crisis situation. Investing in joint efforts with other industry players to reopen major tourist attraction centers and joint destination marketing was also lacking.

However, these results are inconsistent with the findings of Chowdhury et al (2018) who examined the impact of cooperation strategies in reducing the adverse effects of a crisis in New Zealand. This study found that relational capital based on the mutually beneficial relationship with suppliers, customers, competitors and government reduces the adverse impact of tourism crisis. The results also contradict the findings of Shehawy, Yasser and Ragab (2017) who looked at crisis management actions adopted by the Egyptian travel agencies and concluded that, collaboration with external actors (government, regulators, customers and suppliers) speeds up the processes of recovery from a disaster.

Collaboration with external actors (government, regulators, customers and suppliers) during a crisis have been found to enhance recovery from a disaster. Shehawy, Yasser and Ragab (2017) looked at crisis management actions adopted by the Egyptian travel agencies. Their study found that external cooperation with other industry players and the government was critical in reducing the adverse effects of a crisis and ensured quicker restoration of normalcy. Brown, Feldmann-Jensen and Johnston (2017) also found that collaborations with external stakeholders minimizes the adverse impact of a crisis. Murshid (2014) found that government interventions during a crisis leads to reduced impact and quick recovery from a disaster. Avraham (2015) analyzed media strategies used by Sub Saharan African countries to repair destination image during and after crisis. The study found that marketers used media cooperation to repair destination images.

The results of the study indicate that the hotels utilize prevention, containment and confrontation strategies. These results therefore support the assumptions of the contingency theory which postulates that the organizations should deploy a combination of strategies in preventing and managing a crisis. The results also indicate that most of the organizations rely on their internal resources, human resources (TMT and CEO) to prevent the occurrence of a crisis through the preventative strategies. The unique mix of human resource enables the organizations to formulate superior contingency plans needed to manage the crisis situations. The results also indicate that hotels which have installed physical resources such as CCTV and fire detection machines are likely to prevent the occurrence of a crisis more than companies which do not have these resources.

Therefore, these results support the resource-based theory which postulates that the organizations which control unique resources are likely to manage a crisis better than the organizations which do not have the resources needed to detect, prevent and confront the occurrence of a crisis. However, the results do not support the assumptions of the resource dependency theory which postulates that an organization depends on the external environment to manage a crisis. The results however found that there was no relationship between cooperation strategies and business continuity. The hotels did not rely on the government, customers and suppliers to manage the occurrence of the crisis.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section summarizes the entire research work based on the findings of the study and provides conclusions made from the results of the study. It looks at the policy recommendations which can be derived from data analysis. It also discusses the research limitations, challenges faced during the research and how they were resolved. Finally, this section also recommended areas for further studies.

5.2 Summary

The study sought to find out the relationship between crisis management strategies and business continuity. The independent variables included the crisis management strategies (prevention strategies, containment strategies, confrontation strategies and cooperation strategies) while the dependent variable was business continuity. The anchoring theories were; contingency theory, resource-based theory and resource dependency theory. The study used descriptive cross-sectional research design and stratified random sampling technique to come up with a representative sample of 138 respondents. A structured questionnaire was used to collect data and a response rate of 83% was achieved.

Table 5.1 shows the summary of the descriptive statistics based on combined mean and relative mean weight. It also shows the summary of the regression and correlation coefficients of the variables under investigation. Based on the combined mean the study has found that most of the hotels have deployed the use of prevention, containment and confrontation strategies to help them combat the adverse effects of a crisis. These variables have a combined mean of 4.09,4.32 and 4.22 respectively implying that the hotels rely on these strategies to manage crisis.

However, the study found that the hotels have not deployed the use of cooperation strategies to manage the occurrence of a crisis. This variable has a combined mean of 3.05 indicating a neutrality on the subject matter. The hotels are indifferent on the role of government in reducing the adverse impact of the crisis. These results also imply that the hotels do not have in place pre planned protocol of collaborating with each other, suppliers and customers during a crisis. On the other hand, the business continuity variable has a mean score of 4.08 which means that most of the hotels can restore their core operational activities fairly fast after the occurrence of a crisis.

Table 5.1: Summary of the Statistical Findings

#	Variables	Combined Mean	Relative Mean weight	Correlation coefficient	Regression coefficient
1	Business Continuity	4.08	82%	1	
2	Containment Strategy	4.32	86%	0.457	0.385
3	Confrontation Strategy	4.22	84%	0.577	0.152
4	Prevention Strategy	4.09	82%	0.642	0.372
5	Cooperation Strategy	3.05	61%	-0.004	0.001

Source: Research Findings 2020

Table 5.1 shows the summarized results of the correlation coefficient. The results indicate that confrontation and prevention strategies had a moderate correlation with business continuity (coefficient of correlation; 0.577 and 0.642 respectively), while containment strategy had a weak correlation with business continuity (coefficient of correlation of 0.457) and cooperation strategy had no correlation with business continuity (coefficient of correlation of -0.004). The regression results indicate that there is a statistically significant positive relationship between prevention strategies, containment strategies, confrontation strategies and business continuity. However, the study found no statistical relationship between cooperation strategy and business continuity. These variables combined explain 60.5% of the changes in the business continuity.

5.3 Conclusions

The study concluded that there is a positive relationship between prevention strategies and business continuity. The study therefore concludes that investments in technology such biometric screening and CCTV prevents the occurrence of terrorism. While investments in physical infrastructure such as smoke detection machines are likely to prevent the occurrence fire in the hotels. Investments in bullet proof doors may prevent gun attacks from terrorists. Additionally, training staff on how to detect and manage a crisis leads to the reduction of crisis instances in the hotel. Finally, the study concludes that hiring visionary boards of directors with risk management skills is likely to reduce the occurrence of a crisis.

The study concludes that hotels which deploy efficient confrontation strategies are likely to recover quickly from a disaster. The study further concludes that understanding the cause of a crisis and forming crisis teams equipped with resources helps in reducing the impact of the crisis. Defining the roles and responsibilities of the team crisis team members also helps in the restoration of normal operations since everyone knows what is expected of them; this leads to reduced confusion during the restoration process. Additionally, the study concludes that offering a verified explanation to customers on all channels including social media is likely to lead to a speedy recovery from a crisis. Moreover, offering free goods and services to the clients affected by a crisis leads to improved image and reduces the impact of poor service quality.

Moreover, the study concludes that firms which employ containment strategies are more likely to increase their capacity to recover from a disaster. Having a pre-planned formula and strategic communication of the crisis to the affected stakeholders leads to

better management of a crisis situation while recovery of tangible and intangible infrastructure enhances the recovery process.

Finally, the study concludes that there is no statistical relationship between cooperation strategies and business continuity. This is because most of the hotels do not use cooperation strategies to manage a crisis. Most of the hotels do not have a collaboration protocol on how to deal with media, perform joint destination marketing and joint crisis communication. The study also indicates that most of the hotels do not engage the government to manage a crisis. There is also no evidence to support the notion that hotels collaborate with suppliers and customers during a crisis. This means that most of the crisis management strategies are internal; firm specific and not industry based.

5.4 Policy Recommendation

The study found that there is a positive relationship between prevention, confrontation and containment strategies and business continuity. However, there is no regulation that requires all hotels to have in place prevention technology and infrastructure to protect the hotels from crisis. The study therefore recommends that hotels should work together with the central government to share intelligence that can prevent terrorist activities. The central governments can provide a data base where hotels can run security checks on their potential guests. The hotels on their end can invest in biometric screening machines which can be integrated with the government data base to detect terrorists. This should be enacted as a status or a regulation guiding the conduct of the hotels.

The study also found that investments in bullet proof doors can reduce gun attacks by the terrorists. The study therefore recommends that the tourism regulatory board should mandate all the hotels to have a bullet proof door. This will help in protecting

the guest and hotel staff from gun attacks. The tourism regulatory board should also make it mandatory for the hotels to have smoke detection machines which will help the hotels to detect the occurrence of fire and consequently reduce the impact of the fire. In terms of governance the hotels should be mandated to train their board and top team management on crisis management.

Further the study recommends that hotels should have a detailed framework of dealing with a crisis. The hotel management needs to develop a crisis management framework which will detail a pre-determined plan on how the hotel should deal with the various classes of crisis. The manual should also detail how the various levels of staff in the hotel will be involved in the process of crisis management and restoration of business operations. The manual should also include how the employees will be trained and equipped with the necessary tools of managing the crisis. Finally, this framework should include a communication policy which documents how crisis will be communicated to the various stakeholders. Such a framework also needs to be tested and updated on a regular basis.

The study found that most of the hotels do not embrace cooperation strategies in dealing with tourism crisis. However empirical evidence shows that collaborations with external actors especially the government enhances the recovery processes from a crisis. The study therefore recommends that TRA develops a collaboration strategy which will allow the government to cooperate with the industry players to minimize the adverse impact of tourism crisis. This framework should include providing intelligence on how to deal with terrorism, investing in hardware and software which can help the hotels to detect terrorist, financing hotels during a crisis, joint destination marketing efforts to popularize Kenya after occurrence of a crisis and negotiating for lifts on travel advisories.

Empirical evidence also shows that collaborations with customers, suppliers and competitors leads to effective management of industry wide crisis. However, the results of this study show that most of the hotels do not embrace collaborations with each other. The study therefore recommends that the hotels develop a joint framework which will guide how the all the industry players can relate during a crisis. This framework will detail joint marketing initiatives, joint media statements on how to communicate the occurrence of an industry wide crisis.

5.5 Limitation of the Study

There was a challenge with data collection as the research was conducted during the COVID-19 pandemic and due to the nature of the disease, physical contact was highly discouraged. This posed a challenge to the traditional data collection methods which required the researcher and the respondent to meet. Moreover, most of the respondents did not even prefer physical delivery of the questionnaires because of fear of exposure to the disease. The researcher resolved this problem by calling the respondents and using online data collection tools such as google and survey monkey. Most of the respondents agreed to fill in the online questionnaire because it was less risky.

The second limitation was based on the methodological approach to be given to the research. Most of the previous studies done on crisis management and were standalone studies which reviewed the concepts independently. However, the current study sought to establish a relationship between the two variables. Coming up with quantitative measurements of the variables was a big challenge. The researcher dealt with this challenge by seeking the expert opinion of the supervisor, who provided critical guidance on how to measure the variables. The researcher also computed a

quantitative mean score of the various concepts which then enabled the quantitative analysis of the variables.

The third challenge was with regards to the nature of data to be collected. The study sought to collect data about the various strategies adopted by the various hotels and how those strategies affected business continuity of the hotels. Data about strategy is considered to be sensitive. Moreover, the respondents were not sure if their hotel specific data will be revealed to their competitors. This was a well-founded fear which needed to be addressed. The researcher dealt with this challenge by disclosing to the respondents that the data was going to be used for academic purposes alone and the university data collection letter provided legitimacy of the academic research. Moreover, the respondents were promised a soft copy of the combined research which would help them to have a combined view of the industry status.

5.6 Suggestion for Further Studies

Political instability and travel advisories were considered to greatly affect the hotels. The researcher therefore suggests that a study should be conducted to determine the impact of political instability and travel advisories on the hotel bookings. Additionally, the research indicates that economic recession greatly affects the hospitality industry and therefore the study suggests further research to determine the impact of world economic recession on the hospitality industry in Kenya. The negative impact of Covid-19 on the hotel industry is rather obvious; therefore, a study should be conducted to assess the coping strategies employed by hotels during and after the occurrence of Covid-19. The study was conducted on star rated hotels in Kenya, which form only a part of the hospitality industry. The study therefore suggests further research in the context of restaurants, tour firms, tour operators, travel agents, membership clubs and lodges.

Empirical evidence shows that collaborations with government is an important strategy in reducing the adverse impact of the tourism crisis. The central government can negotiate for the lifting of travel bans, it can also participate in marketing travelling destinations. Central governments can also provide intelligence and hardware needed to fight terrorism. Finally, the central government can also provide financing to the hotel industry to enable them recover from crisis. However, there is little empirical evidence from Kenya detailing the impact of collaborating with the government on reducing the adverse effect of a crisis. Therefore, the impact of government intervention in managing tourism crisis and enhancing business continuity is a study worth undertaking.

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APPENDICES

Appendix I: Questionnaire

Section A: General Information

This section deals with the general information about the hotel and the respondent.
Please tick in the appropriate box.

Part	Details	Classification	Response
Hotel Characteristics	Hotel classification	One-star	
		Two-star	
		Three-star	
		Four-star	
		Five-star	
	Number of Years in Business	< Five years	
		5-10 years	
		> 10 years	
	Number of Accommodation Units	Up to 50	
		51-200	
		More than 200	
	Type of business	Independent	
		Hotel chain	
Respondents Characteristics	Level of Management	Top management	
		Middle management	
		Lower management	
	Work Experience	< 5 years	
		6-10 years	
		11-15 years	
		>15 years	
	Gender	Male	
		Female	
	Age bracket	20-30	
		31-40	
		41-50	
		More than 50	

Section B: Types of Crisis Affecting the Hospitality sector

The questions in this section deals with the various types of crisis which affect the hospitality sector.

To what extent does the occurrence of the following types of crisis affect the continuity of your business? Please tick the appropriate response.

#	Details	Very Great Extent	Great Extent	Moderate Extent	Little Extent	Not at all
Natural disasters						
1.0	Floods	☐	☐	☐	☐	☐
2.0	Earthquakes	☐	☐	☐	☐	☐
Terrorist Activities						
1.0	Terrorism within Hotel Premises	☐	☐	☐	☐	☐
2.0	Terrorism outside Hotel Premises	☐	☐	☐	☐	☐
Political Environment						
1.0	Political Instability	☐	☐	☐	☐	☐
2.0	General Election	☐	☐	☐	☐	☐
Infectious diseases						
1.0	Cholera	☐	☐	☐	☐	☐
2.0	Covid -19	☐	☐	☐	☐	☐
Cybercrimes						
1.0	Hacking of records	☐	☐	☐	☐	☐
2.0	Identity fraud	☐	☐	☐	☐	☐
Other Crisis						
1.0	War	☐	☐	☐	☐	☐

2.0	Economic recession	☐	☐	☐	☐	☐
3.0	Travel Advisories	☐	☐	☐	☐	☐

Section C: Crisis Management Strategies

This section deals with questions assessing the extent of the various strategies employed by the organizations to prevent, detect, manage and confront the occurrence of a crisis.

Section C Part 1; Prevention Strategies

Please indicate the extent to which your organization has put in place the prevention strategies listed below, using a 5 point Likert type scale where ;5 means Very Great extent, 4, Great extent,3, Moderate extent, 2, Little extent and 1, Not at all

#	Details	5	4	3	2	1
1.0	Defining detection and prevention policies and procedures					
2.0	Training and empowering the employees on how to prevent and detect a crisis					
3.0	Conducting vulnerability audits to identify possible operational weaknesses and threats					
4.0	Hiring a visionary board of directors in who can envision a crisis and plan for it					
5.0	Recruiting a CEO and top managers with risk management skills					
6.0	Investment in technology such as cybersecurity systems, biometric screening and CCTV					
7.0	Investment in physical infrastructure such as water sprinklers, smoke detection machines, fire and bullet proof doors					
8.0	Investing in alternative working spaces					

Section C Part 2; Confrontation strategies

Please indicate the extent to which your organization has put in place the confrontation strategies listed below, using a 5 point Likert type scale where 5 means Very Great extent, 4, Great extent,3, Moderate extent, 2, Little extent and 1, Not at all

#	Details	5	4	3	2	1

		5	4	3	2	1
1.0	Understanding the cause and quickly gathering sufficient and accurate information on the crisis					
2.0	Specification of necessary resources and response team capabilities to confront the crisis					
3.0	Forming crisis teams with the required resources and defining the responsibilities of the participants					
4.0	Offering an explanation as to why the breach of integrity occurred					
5.0	Confronting false social media publications by offering a verified explanation to the affected parties					
6.0	Offering free goods and services to clients help in resolving poor service quality.					
7.0	Designing effective crisis communication and information systems					

Section C Part 3; Cooperation Strategies

Please indicate the extent to which your organization has put in place the cooperation strategies listed below, using a 5 point Likert type scale where; 5 means Very Great extent, 4, Great extent,3, Moderate extent, 2, Little extent and 1, Not at all

#	Details	5	4	3	2	1
1.0	Having pre planned contracts with customers and suppliers					
2.0	Consulting with the people of opinion, knowledge and experience.					
3.0	Collaboration with government agencies to provide specialized assistance during a crisis					
4.0	Cooperating with media agencies to ensure that correct information is relayed to the public and other stakeholders					
6.0	Cooperating with government agencies, oversea embassies and commercial sectors to market a destination help to fasten recovery after a crisis.					
7.0	Holding joint social media response during a crisis					

#		5	4	3	2	1
7.0	Investing in joint efforts with other industry players to reopen major tourist attraction centers and joint destination marketing help in restoring business normalcy.					

Section C Part 4; Containment Strategies

Please indicate the extent to which your organization has put in place the containment strategies listed below, using a 5 point Likert type scale where ;5 means Very Great extent, 4, Great extent,3, Moderate extent, 2Little extent and 1, Not at all

#	Details	5	4	3	2	1
1.0	Working on containing the crisis to a limited scope so as not to spread					
2.0	Strategic communication of the crisis to the affected stakeholders though a carefully selected class of employees					
3.0	Recovery of both tangible and intangible infrastructure					
4.0	Managing stakeholder expectations					
5.0	Protecting the image and the brand of the hotel by avoiding rumors and exaggerations about the crisis					
6.0	Activating alternative work sites and service delivery options					

Section D: Business Continuity

This section deals with the assessment of business continuity after the occurrence of a disaster. The first part deals with the restoration of operational activities and the second part deals with the restoration of support services.

Section D, PART 1; Restoration of Operational Activities

This part deals with the assessment of how fast the business can restore its key operating processes after the occurrence of a crisis; using a 5 point Likert type scale where ;5 means Extremely fast, 4, Very fast,3, Moderate, 2, Slow and 1, Very slow.

#	**Operational Processes**	5	4	3	2	1

1.0	Resumption of services to the customers					
2.0	Resumption of production services					
3.0	Resumption of sourcing and purchasing activities					
4.0	Resumption of sales and marketing activities					
4.0	Restoration of physical infrastructure					

Section D, PART 2; Restoration of Support Services

This section deals with the assessment of how first a business can restore its support services, using a 5 point Likert type scale where ;5 means Extremely fast, 4, Very fast,3, Moderate, 2, Slow and 1, Very slow.

#	Support Services	5	4	3	2	1
1.0	Resumption of accounting and finance department services					
2.0	Restoration of IT services such as internet connectivity and availability of core system					
3.0	Restoration of human resource services such as recruitment					

APENDIX II: The Number of Star Rated Hotel Distributed Across the Regions

Table 1.1: The Number of Star Rated Hotel Distributed Across the Regions

#	Region	1 Star	2 Star	3 Star	4 Star	5 Star	Total
1	Nairobi	0	10	17	21	11	59
2	Coast	0	14	14	13	6	47
3	North Rift	0	7	3	1	0	11
4	Central and Mount Kenya	1	6	9	8	2	26
5	Western	1	7	6	1	0	15
6	Eastern	0	4	2	0	0	6
7	South Rift	1	10	9	22	5	47
8	**Total**	**3**	**58**	**60**	**66**	**24**	**211**

Source: (Tourism Regulatory Authority, 2019)